R E M A R K S

Applicants cancel claims 9 and 11. Claims 10 and 12 had previously been canceled. Claims 1-8 remain pending in the application. Applicants amend claims 1-2, 4, and 6-7 for further clarification. No new matter has been added.

Claims 9 and 11 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention.

Applicants cancel claims 9 and 11.

Claims 1, 6, and 9 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,634,012 to Stefik et al.; and claims 2-5, 7-8, and 11 were rejected under 35 U.S.C. §103(a) as being unpatentable over Stefik et al. in view of U.S. Patent No. 5,872,588 to Aras et al. Applicants amend claims 1-2, 4, and 6-7 in a good faith effort to further clarify the invention, and respectfully traverse the rejections.

The Examiner maintained that the description in Stefik et al. of "metering usage rights attached to a digital work [causing] the metering and clock functions to occur in the credit server" discloses the claimed feature of digital information itself, which is embedded in content, providing functionality to a user terminal to, say, monitor and store utilizing history. Page 3, line 14 et seq. of the Office Action. (Emphasis added)

In the May 9 Advisory Action, the Examiner further contended that

> "the metering rights [described in Stefik et al.] do provide functionality to the credit server to autonomously monitor the utilization of contents, because the clock in the credit server would not monitor the time usage of contents if metered usage rights were not set."

Applicants respectfully submit that the above is still merely a simple causation, and fails to disclose or even suggest the claimed feature of "digital information itself including functionality."

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Once again, the technique described in the cited portions of <u>Stefik et al.</u> is specifically rooted in usage rights being permanently attached to digital works, and "enforcement elements" being "embodied in repositories." Please see, e.g., col. 6, lines 50-60 of <u>Stefik et al.</u> Such repositories, which are beyond a digital work user's access, "control access to the digital works, bill for access to digital works and maintain the security and integrity of the system." Col. 6, lines 58-60 of <u>Stefik et al.</u>

Thus, the "metering and clock functions" taken from <u>Stefik et al.</u> by the Examiner rely upon secure entities, such as repositories, to <u>separately include secure functionality</u> for performing such "enforcement" functions. And the usage rights, at most, include parameters "[defining] how the digital work may be used or further distributed" as enforced by the secure functionality provided by the "enforcement elements." Abstract and col. 6, lines 50-60 of <u>Stefik et al.</u> As illustrated in Fig. 15 of <u>Stefik et al.</u>, the usage rights only include a number of parameters and references that rely upon predefined secure functions performed by the "enforcement elements," as illustrated in Figs. 16-18 of <u>Stefik et al.</u>, to make use of such parameters accordingly.

In other words, the usage rights do not themselves include any functionality, but they merely call functions already defined in the entities that refer to those usage rights for performing functions according to parameters defined in the usage rights.

In other words, <u>Stefik et al.</u>, as cited and relied upon by the Examiner, fail to disclose,

> "[a] method for managing fees of contents in which the fees arise based on a predetermined charging rule upon distributing the contents, said method comprising the steps of:
> equipping information gathering means on a network with which a user terminal is allowed to connect, said user terminal carrying out information processing by utilizing said contents;
> embedding digital information to said contents, <u>said digital information *itself including functionality provided to said user terminal*</u> to <u>autonomously monitor, and store, a contents utilizing history at the user terminal</u>, and <u>transmit the</u>

stored contents utilizing history along with identification
information to said information gathering means at a
predetermined timing while said user terminal is connected
with said network;

distributing said contents with said digital information
being embedded through a predetermined distribution
mechanism;

holding, by predetermined identification information
holding means, identification information for identifying said
distributed contents and said distribution mechanism;

counting a distribution condition of contents per
distribution mechanism based on said contents distributing
history gathered through said information gathering means and
said identification information held by said identification
information holding means; and

determining a charging amount per distribution
mechanism based on said counted distribution condition and a
charging rule for said contents,

wherein the contents utilizing history is stored
permanently as long as the contents is utilized," as recited in
claim 1. (Emphasis added)

Accordingly, Applicants respectfully submit that claim 1 is patentable over Stefik et

al. for at least the foregoing reasons. Claim 6 incorporates features that correspond to those

of claim 1 described above, and are, therefore, patentable over Stefik et al. for at least the

same reasons.

The Examiner cited Aras et al. as a combining reference to specifically address the

respective additional features recited in claims 2-5 and 7-8. And claims 2, 4, and 7

incorporate features that correspond to those of claim 1 cited above. As such, a combination

with Aras et al. would still have failed to cure the above-described deficiencies of Stefik et

al., even assuming, arguendo, that such a combination would have been obvious to one

skilled in the art at the time the claimed invention was made. Accordingly, Applicants

respectfully submit that claims 2, 4, and 7, together with claims 3, 5, and 8 dependent

therefrom, respectively, are patentable over the cited references for at least the above-stated

reasons.

In view of the remarks set forth above, this application is in condition for allowance which action is respectfully requested. However, if for any reason the Examiner should consider this application not to be in condition for allowance, the Examiner is respectfully requested to telephone the undersigned attorney at the number listed below prior to issuing a further Action.

Any fee due with this paper may be charged to Deposit Account No. 50-1290.

Respectfully submitted,

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